

BILL ANALYSIS

Senate Research Center
84R11116 ADM-F

H.B. 2318
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Finance
5/21/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The passage of H.B. 2458 during the 78th Legislature, Regular Session, 2003, had the inadvertent effect of eliminating the motor fuel tax credit associated with diesel powered auxiliary equipment, while retaining the rebate for gasoline powered units. Historically, a motor fuels tax rebate or credit was allowed on all diesel fuel consumed in the operation of an auxiliary power unit or power take-off equipment.

H.B. 2318 corrects this oversight and reinstates this rebate for diesel fuel used by auxiliary power units or power take-off equipment.

H.B. 2318 amends current law relating to a credit or refund for diesel fuel taxes paid on diesel fuel used in this state by auxiliary power units or power take-off equipment.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 162.227, Tax Code, by adding Subsection (d-1), as follows:

(d-1) Authorizes a license holder to take a credit on a return for the period in which the purchase occurred, and authorizes a person who does not hold a license to file a refund claim with the comptroller of public accounts of the State of Texas (comptroller), if the license holder or person paid tax on diesel fuel and the diesel fuel is used in this state by auxiliary power units or power take-off equipment on any motor vehicle. Authorizes the comptroller, if the quantity of that diesel fuel can be accurately measured while the motor vehicle is stationary by any metering or other measuring device or method designed to measure the fuel separately from fuel used to propel the motor vehicle, to approve and adopt the use of the device as a basis for determining the quantity of diesel fuel consumed in those operations for a tax credit or tax refund. Authorizes the license holder, if there is no separate metering device or other approved measuring method, to take the credit and authorizes the person who does not hold a license to claim the refund on a percentage of the diesel fuel consumed by each motor vehicle equipped with an auxiliary power unit or power take-off equipment. Requires the comptroller to determine the percentage of the credit or refund. Provides that the climate-control air conditioning or heating system of a motor vehicle that has a primary purpose of providing for the convenience or comfort of the operator or passengers is not a power take-off system, and prohibits a credit or refund from being allowed for the tax paid on any portion of the diesel fuel that is used for that purpose. Prohibits a credit or refund from being allowed for the diesel fuel tax paid on that portion of the diesel fuel that is used for idling.

SECTION 2. Effective date: September 1, 2015.